



*"It's your MONEY"*

PO Box 957, Syracuse, NY 13201-0957  
PH: 315.671.4000 FAX: 315.671.4030

June 1, 2011

Board of Governors of Federal Reserve  
20th Street and Constitution Avenue, NW  
Washington, DC 20551  
Attn: Jennifer Johnson, Secretary Board of Governors of the Federal Reserve System

Dear Chairman Bernanke:

I am writing to echo the sentiments expressed in William Mellin's (of the Credit Union Association of New York) letter to you. I, too, ask that you take into consideration the true cost of fraud to Visa issuers such as us, while you develop the interchange cap revision under Dodd-Frank.

The fraudulent transactions on our members' Visa Debit cards during the past two weeks will cause us to write off more than \$5,600.00. This is for fraud on just 18 of our 4,000 members' accounts.

MONEY Federal Credit Union is a small entity whose purpose for existence is to offer our members an alternative to huge, corporate banks that operate to satisfy their shareholders. We are not-for-profit, so our members benefit from our lower fees and higher dividends.

Unfortunately, the benefits of Credit Union membership will be diminished exponentially if our interchange income is significantly reduced. That income sustains our costly Visa Debit program:

- paying our third party processor to monitor accounts 24/7/365 for potential fraud
- reimbursing our members 100% for any fraudulent transactions
- blocking and re-issuing cards when fraud occurs
- timely one-on-one problem resolution with members

Our members want (in fact, demand) us to issue Visa Debit cards for their convenience in utilizing their checking accounts with us. In turn, we can only offer this product if our costs are kept in check.

I strongly urge you to use the full power vested in the Federal Reserve Board under Dodd-Frank, to fashion a "reasonable and proportional" interchange cap to insure that the regulations reflect to the fullest extent possible the true cost associated with fraud.

Ultimately, the cost associated with fraud is real. An interchange fee that does not reflect this reality will make issuers and consumers bear those costs, as opposed to merchants who are in the best position to prevent such fraud.

Sincerely,

Linda M. Fitzgibbons  
Operations Manager